

Senate File 16 - Introduced

SENATE FILE _____
BY JOCHUM

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to third=party payment of health care coverage
2 costs for mental health conditions, including alcohol or
3 substance abuse treatment services, and creating a mental
4 health insurance advisory committee.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
6 TLSB 1468SS 83
7 av/nh/8

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1 1 Section 1. NEW SECTION. 514C.24 MANDATED COVERAGE FOR
1 2 MENTAL HEALTH CONDITIONS == MENTAL HEALTH INSURANCE ADVISORY
1 3 COMMITTEE.
1 4 1. For purposes of this section, unless the context
1 5 otherwise requires:
1 6 a. "Mental health condition" means a condition or disorder
1 7 involving mental illness or alcohol or substance abuse as
1 8 defined by the commissioner of insurance by rule, consistent
1 9 with definitions provided in the most recent edition of the
1 10 American psychiatric association's diagnostic and statistical
1 11 manual of mental disorders. The commission may adopt the
1 12 definitions provided in such manual by reference.
1 13 b. "Rates, terms, and conditions" means any lifetime
1 14 payment limits, deductibles, copayments, coinsurance, and any
1 15 other cost=sharing requirements, out=of=pocket limits, visit
1 16 limitations, and any other financial component of benefits
1 17 coverage that affects the covered individual.
1 18 2. a. Notwithstanding section 514C.6, a policy, contract,
1 19 or plan providing for third=party payment or prepayment of
1 20 health or medical expenses shall provide coverage benefits for
1 21 mental health conditions based on rates, terms, and conditions
1 22 which are no more restrictive than the rates, terms, and
1 23 conditions for coverage benefits provided for other health or
1 24 medical conditions under the policy, contract, or plan.
1 25 Additionally, any rates, terms, and conditions involving
1 26 deductibles, copayments, coinsurance, and any other cost=
1 27 sharing requirements shall be cumulative for coverage of both
1 28 mental health conditions and other health or medical
1 29 conditions under the policy, contract, or plan.
1 30 b. Coverage required under this subsection shall be as
1 31 follows:
1 32 (1) For the treatment of mental illness, coverage shall be
1 33 for services provided by a licensed mental health professional
1 34 or services provided in a licensed hospital or health
1 35 facility.
2 1 (2) For the treatment of alcohol or substance abuse,
2 2 coverage shall be for services provided by a substance abuse
2 3 counselor, as approved by the department of human services; a
2 4 licensed health facility providing a program for the treatment
2 5 of alcohol or substance abuse approved by the department of
2 6 human services; or a substance abuse treatment and
2 7 rehabilitation facility, as licensed by the department of
2 8 public health pursuant to chapter 125.
2 9 3. This section applies to the following classes of third=
2 10 party payment provider policies, contracts, or plans
2 11 delivered, issued for delivery, continued, or renewed in this
2 12 state on or after January 1, 2010:
2 13 a. Individual or group accident and sickness insurance
2 14 providing coverage on an expense=incurred basis.
2 15 b. An individual or group hospital or medical service
2 16 contract issued pursuant to chapter 509, 514, or 514A.

2 17 c. A plan established pursuant to chapter 509A for public
2 18 employees.
2 19 d. An individual or group health maintenance organization
2 20 contract regulated under chapter 514B.
2 21 e. An individual or group Medicare supplemental policy,
2 22 unless coverage pursuant to such policy is preempted by
2 23 federal law.
2 24 f. Any other entity engaged in the business of insurance,
2 25 risk transfer, or risk retention, which is subject to the
2 26 jurisdiction of the commissioner.
2 27 g. An organized delivery system licensed by the director
2 28 of public health.
2 29 4. The commissioner shall adopt rules to administer this
2 30 section after consultation with the mental health insurance
2 31 advisory committee.
2 32 a. The commissioner shall appoint members to a mental
2 33 health insurance advisory committee. Members shall include
2 34 all sectors of society impacted by issues associated with
2 35 coverage of mental health treatment by third-party payors
3 1 including but not limited to representatives of the insurance
3 2 industry, small and large employers, employee representatives
3 3 including labor, individual consumers, health care providers,
3 4 and other groups and individuals that may be identified by the
3 5 insurance division of the department of commerce.
3 6 b. The committee shall meet upon the request of the
3 7 commissioner to review rules proposed under this section by
3 8 the commissioner, and to make suggestions as appropriate.
3 9 Sec. 2. Section 514C.22, Code 2009, is repealed effective
3 10 January 1, 2010.

3 11 EXPLANATION

3 12 This bill creates new Code section 514C.24 and provides
3 13 that, effective January 1, 2010, a policy, contract, or plan
3 14 providing for third-party payment or prepayment of health or
3 15 medical expenses must provide coverage benefits for mental
3 16 health conditions based on rates, terms, and conditions which
3 17 are no more restrictive than the rates, terms, and conditions
3 18 associated with coverage benefits provided for other
3 19 conditions under the policy, contract, or plan. "Mental
3 20 health condition" means a condition or disorder involving
3 21 mental illness or alcohol or substance abuse as defined by the
3 22 commissioner of insurance, by rule, consistent with
3 23 definitions provided in the most recent edition of the
3 24 American psychiatric association's diagnostic and statistical
3 25 manual of mental disorders, as periodically revised. The
3 26 rules may include such definitions by reference.
3 27 The bill also requires the insurance commissioner to adopt
3 28 rules to administer the new Code section, after consultation
3 29 with the new mental health insurance advisory committee, whose
3 30 members are appointed by the commissioner including
3 31 representatives from business, insurance, consumer, and health
3 32 groups.
3 33 Code section 514C.22, which currently mandates coverage for
3 34 certain biologically based mental illnesses, is repealed
3 35 effective January 1, 2010.

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